



CITY OF

NEWPORT BEACH

City Council Staff Report

August 26, 2025
Agenda Item No. 34

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Ordinance No. 2025-20 and Resolution No. 2025-54 Amending Title 20 (Zoning Code) and Title 21 (Local Coastal Program Implementation Plan) of the Newport Beach Municipal Code Updating ADU and JADU Standards (PA2025-0093)

ABSTRACT:

For the City Council's consideration are amendments to Title 20 (Zoning Code) and Title 21 (Local Coastal Program Implementation Plan) to update regulations pertaining to Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU). The amendments are intended to comply with State of California ADU laws that went into effect on March 27, 2024, and January 1, 2025.

RECOMMENDATIONS:

- a) Conduct a public hearing;
- b) Find this project statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15282(h) of the CEQA Guidelines, which states that the adoption of an ordinance regarding second units to implement the provisions of Sections 66310 through 66342 of the Government Code are exempt from the requirements of CEQA and pursuant to CEQA Guidelines Section 15265(a)(1), local governments are exempt from the requirements of CEQA in connection with the adoption of a Local Coastal Program;
- c) Waive full reading, direct the City Clerk to read by title only, and introduce Ordinance No. 2025-20, *An Ordinance of the City Council of the City of Newport Beach, California, Amending Section 20.48.200 (Accessory Dwelling Units) of the City of Newport Beach Municipal Code Related to Accessory Dwelling Units and Junior Accessory Dwelling Units (PA2025-0093)*, and pass to second reading on September 9, 2025; and
- d) Adopt Resolution No. 2025-54, *A Resolution of the City Council of the City of Newport Beach, California, Authorizing Submittal of a Local Coastal Program Amendment to the California Coastal Commission to Amend Section 21.48.200 (Accessory Dwelling Units) of the Newport Beach Municipal Code Related to Accessory Dwelling Units and Junior Accessory Dwelling Units (PA2025-0093)*.

DISCUSSION:

On February 14, 2023, the City Council adopted Ordinance No. 2023-2, the most recent update to the City's ADU regulations. The ordinance was submitted to the California Department of Housing and Community Development (HCD) for review, as required by State law.

In 2024, the State Legislature enacted several housing bills (SB 477, AB 2533, and SB 1211) amending Government Code Sections 66310 through 66342 to impose new requirements on ADUs and JADUs. These changes apply to charter cities and are intended to remove barriers, reduce costs, streamline approvals, and expand ADU and JADU development to address the housing shortage. Additional details regarding these housing bills are provided in the *Changes to State ADU Laws* subsection of this report.

Following adoption of the City's revised Housing Element on September 24, 2024, HCD reviewed the City's ADU ordinance as part of the Housing Element recertification process and, on October 1, 2024, issued a letter (HCD Letter) stating that it does not comply with State ADU Law (Attachment C). The HCD Letter outlined areas requiring revision and directed the City to (1) update the ordinance to address the comments or (2) justify how the existing ordinance is consistent with State law. The comments received by HCD were intended to guide the City in addressing the changes to State law. The HCD Letter also stated that failure to act may result in notification to the California Attorney General.

On October 25, 2024, the Community Development Department responded to HCD, affirming the City's intent to revise the ordinance and ensure compliance with State law.

Planning Commission Review

On July 17, 2025, the Planning Commission considered the proposed amendments to Titles 20 and 21 of the Newport Beach Municipal Code (NBMC). Prior to the public hearing, one public comment letter was received from the California Housing Defense Fund. The letter provided two separate comments on the proposed amendments related to Government Code Section 66323. The first comment was related to the allowance of up to eight detached ADUs on parcels with existing multifamily lots, and the second comment related to not imposing historic standards on ADUs. Staff addressed the comment letter during the public hearing, noting that the amendment already includes a reference to Government Code Section 66323, which permits up to eight detached ADUs on existing multifamily lots. Additionally, staff revised the draft code language to address the second comment regarding historic resources.

At the conclusion of the public hearing, the Planning Commission adopted Resolution No. PC2025-014 by a unanimous vote (4 ayes, 0 nays, 3 absent) recommending approval of the Zoning Code Amendment to the City Council and recommending the City Council authorize the submittal of the Local Coastal Program Amendment to the California Coastal Commission. A copy of the July 17, 2025, Planning Commission staff report is included as Attachment D and the meeting minutes are included as Attachment E.

Changes to State ADU Laws

SB 477, effective March 25, 2024, reorganized the numbering of Government Code sections related to ADUs and JADUs. AB 2533, effective January 1, 2025, introduced updates addressing unpermitted ADUs, which the City has incorporated into its SAFE ADU Program to help homeowners legalize units built before January 1, 2020. SB 1211, also effective January 1, 2025, revised regulations for replacement parking and introduced streamlined “66323 Units” (described below) for multifamily properties, further expanding ADU development opportunities.

SB 1211 created a new category of ADUs called “66323 Units” under Government Code Section 66323. These units must be approved ministerially and are exempt from most local development standards (i.e. height, setbacks, etc.), though they must still meet building code and health and safety rules. There are four types of 66323 Units:

1. Single Unit Internal ADUs and JADUs

- One ADU per lot is permitted within converted space of a proposed or existing single-unit dwelling or accessory structure.
- No additional setbacks are required beyond that of the existing or proposed structure and applicable building and safety minimum requirements.
- ADUs converted from accessory structures are eligible for a 150 square-foot expansion to accommodate ingress and egress.
- One JADU per lot is permitted within the proposed or existing space of a single-unit dwelling or accessory structure.

2. Single-Unit Detached ADUs

- One detached new construction ADU is permitted on lots with an existing or proposed single-unit dwelling.
- 4-foot side and rear yard setbacks are allowed.
- The maximum unit size is 800 square feet.
- Height limitation of 16 or 18 feet depending on conditions specified in Government Code Section 66321, subdivision (b)(4).

3. Multi-unit Converted ADUs

- Conversion ADUs may be created within the portions of existing multi-unit structures that are not used as livable space.
- At least one ADU is within an existing multi-unit dwelling and up to 25% of the existing multi-unit dwelling units.

4. Multi-unit Detached ADUs

- Two detached ADUs are allowed on a lot with a proposed multi-unit dwelling, or up to eight detached ADUs are allowed on a lot with an existing multi-unit dwelling, not to exceed the number of existing units on the lot.

- 4-foot rear and side yard setbacks are allowed.
- Height limits of 16, or 18 feet depending on conditions specified in Government Code Section 66321, subdivision (b)(4).

Proposed Amendments

The proposed ordinance (Attachment A) and proposed resolution (Attachment B) address all comments identified in the HCD Letter and associate changes to State ADU Law. Table 1 (HCD Letter Summary) of Attachment F summarizes the comments provided by HCD and identifies how the City intends to address those comments. As requested by HCD, the ordinance and resolution include an exhibit with the findings addressing why certain changes requested by HCD are not necessary to comply with State ADU law. All the other suggested changes have been made in the proposed ordinance.

Specifically, amendments to Sections 20.48.200 (Accessory Dwelling Units) and 21.48.200 (Accessory Dwelling Units) of the NBMC are proposed. Although the titles of said sections reference ADUs, these sections also govern JADUs. Redlines of Sections 20.48.200 and 21.48.200 of the NBMC addressing the HCD Letter are included as Attachments G and H, respectively. The Planning Division has also created a matrix to assist the public and staff in understanding ADU regulations. The ADU Ordinance Summary Matrix (Attachment I) provides an outline of the current ADU regulations and the Proposed ADU Ordinance Summary Matrix provides an outline of the proposed ADU regulations (Attachment J).

General Plan Consistency

State law considers ADUs to be accessory residential uses that do not increase a property's allowed density and are consistent with the General Plan and Zoning. As a result, no changes to the General Plan are needed. Adopting an ordinance that follows Government Code Sections 66310 through 66342 supports the City's commitment to expanding ADU development, as outlined in Policy Action 1H of the 2021–2029 Housing Element.

Local Coastal Plan

The Local Coastal Plan (LCP) currently regulates ADUs in a way that doesn't align with State law. If the City Council adopts the Zoning Code amendment, staff will submit related changes to the LCP for review and approval by the California Coastal Commission (CCC). Updating the LCP ordinance will help the City carry out Local Coastal Program Policy 2.7-5, which supports State ADU laws to increase affordable housing in coastal areas while preserving neighborhood character.

HCD Review

Government Code Section 66326 requires the City to submit the ordinance to HCD within 60 days of adoption. Should the City Council approve the proposed ordinance to amend Title 20, staff will forward the ordinance to HCD for review. If HCD finds the ordinance does not comply with the new ADU laws, HCD will notify the City. Should this occur, the City would have 30 days to either amend the ordinance or adopt additional findings that explain the reason the ordinance complies with the statute. Since the amendment to Title 21 requires CCC approval, the ordinance amending Title 21 will be submitted to HCD after the CCC LCP amendment process is complete.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.17 and CEQA Guidelines Section 15282(h), which states that the adoption of an ordinance regarding second units to implement the provisions of Sections 66310 through 66342 of the Government Code are exempt from the requirements of CEQA. Similarly, the ministerial approval of ADUs would not be a project for CEQA purposes, and environmental review would not be required prior to approving individual applications. In addition, pursuant to CEQA Guidelines Section 15265(a)(1), local governments are exempt from the requirements of CEQA in connection with the adoption of a Local Coastal Program.

NOTICING:

Pursuant to Section 13515 of the California Code of Regulations, a review draft of the LCP amendment was made available, and a Notice of Availability was distributed on July 15, 2025, to all persons and agencies on the Notice of Availability mailing list.

Notice of this hearing was published in the Daily Pilot as an eighth-page advertisement, consistent with the provisions of the NBMC. The item also appears on the agenda for this meeting, which was posted at City Hall and on the City website.

ATTACHMENTS:

Attachment A – Ordinance No. 2025-20
Attachment B – Resolution No. 2025-54
Attachment C – HCD Review Letter, Dated October 1, 2024
Attachment D – July 17, 2025, Planning Commission Staff Report (Without Attachments)
Attachment E – July 17, 2025, Planning Commission Minutes
Attachment F – HCD Comment Summary
Attachment G – NBMC Title 20 (Planning and Zoning), proposed redlined code changes

Attachment H – NBMC Title 21 (Local Coastal Program Implementation Plan), proposed
redlined code changes
Attachment I – Existing ADU Ordinance Summary Matrix
Attachment J – Proposed ADU Ordinance Summary Matrix